

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01  
CIAE-00 COME-00 EPG-02 DODE-00 EB-07 FPC-01 H-01  
INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04  
USIA-06 OES-07 SP-02 SS-15 STR-04 TRSE-00 ACDA-07  
/102 W

-----280317Z 078928 /65

R 271105Z MAY 77

FM AMEMBASSY LISBON

TO SECSTATE WASHDC 1559

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E.O. 11652: N/A

TAGS: ECON, ENRG, PO

SUBJ: PORTUGAL SEEKS FOREIGN MARKETS FOR ITS  
PETROLEUM PRODUCTS

REF: (A) 76 LISBON 2708, (B) MAY 7, 1976 LETTER FROM BARBOUR TO  
AMBASSADOR CARLUCCI

1. PORTUGAL'S NEW 10 MILLION TON REFINERY EXPECTED TO ENTER  
FULL PRODUCTION DURING SECOND HALF OF 1978. VIRTUALLY ALL OF  
THIS CAPACITY WILL BE EXCESSIVE TO DOMESTIC REQUIREMENTS. MOST  
OF THE PRODUCT, THEREFORE, WILL BE AVAILABLE FOR EXPORT. IN  
ADDITION TO SUBSTANTIAL AMOUNTS OF GASOLINE AND JET FUEL,  
EXPECTED EXPORT AVAILABILITY IN THOUSANDS OF METRIC TONS IS  
AS FOLLOWS:

1978 1979 1980 1981 1982 1983 1984 1985

FUELOIL

NUMBER 2 500 1000 900 800 700 600 500 400

HIGH SULPHUR 1/

FUELOIL NO. 6 1500 2600 2000 1300 700 400 200 -

LOW SULPHUR 1/

FUELOIL NO. 6 500 1000 1000 1000 1000 1000 500

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FOOTNOTE 1 - CURRENTLY PLANNED TO HAVE A VISCOSITY OF  
2000 SECONDS REDWOOD MAXIMUM AND A POUR POINT OF LESS THAN  
60 DEGREES F (15.5 C), BUT THESE SPECIFICATIONS CAN BE  
IMPROVED IF REQUESTED BY CUSTOMERS.

2. GOP BECOMING EXTREMELY ANXIOUS TO WIN  
FOREIGN MARKETS FOR THESE POTENTIAL EXPORTS. THEN SECRE-

TARY OF STATE VIDEIRA MADE PRELIMINARY EXPLORATORY VISIT TO UNITED STATES IN MAY 1976 (REF A). EARLIER THIS MONTH A GROUP OF OFFICERS LED BY FRANCISCO MIRANDA FROM PETROGAL (GOP'S MONOPOLY PETROLEUM COMPANY) VISITED THE UNITED STATES FOR EXTENSIVE DISCUSSIONS WITH POTENTIAL BUYERS. THEIR MEETINGS, WHICH WERE LARGELY WITH THE MAJOR OIL COMPANIES, PRODUCED NO DEFINITE RESULTS. MOST OF THE MAJORS INDICATED THAT THEY POSSESSED THEIR OWN REFINERIES WHICH ARE WORKING WELL BELOW CAPACITY. MR. MIRANDA HAS REQUESTED THAT THE EMBASSY PROVIDE A LIST OF INDEPENDENT PETROLEUM DEALERS AND STATE, REGIONAL AND LOCAL AUTHORITIES WHICH MAY BE INTERESTED IN PURCHASING SOME OF THE SINES PRODUCT.

3. COMMENT: PETROGAL, AS THE GOP AGENT RESPONSIBLE FOR THE SINES REFINERY, FACES A TREMENDOUS CHALLENGE. IT MUST FIND EXPORT MARKETS, SINCE THE GOP DEFINITELY PLANS TO PUT SINES INTO OPERATION. PETROGAL ACKNOWLEDGES THAT IT MUST SELL THIS PRODUCT EVEN IF ITS IS REQUIRED TO ACCEPT A LOW PRICE. IN EFFECT, THE COMPANY RECOGNIZES THAT THE FUTURE OF SINES DEPENDS VERY HEAVILY ON ITS ABILITY TO FIND THE NECESSARY EXPORT MARKETS. EMBASSY CONCURS IN THIS JUDGEMENT. A COMPLETE FAILURE OF THE PROJECT WOULD HAVE SINGIFICANT FINANCIAL REPERCUSSIONS ON SINES, AS WELL AS FOR THE ENTIRE NATION.

4. ACTION REQUESTED: EMBASSY WOULD APPRECIATE RECEIVING THE NAMES REQUESTED BY PETROGAL.

CARLUCCI

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Disposition Approved on Date:**  
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**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
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**Disposition History:** n/a  
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**Subject:** PORTUGAL SEEKS FOREIGN MARKETS FOR ITS PETROLEUM PRODUCTS  
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**Type:** TE  
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**Review Markings:**  
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